



DAP USER GUIDE FOR MAP LENDERS

APPENDIX D – GLOSSARY OF TERMS/ACRONYM LIST

TABLE OF REVISIONS

Release Number	Release Date	Revision Date	Comments
1.4.7	November 2002	November 2002	Baseline
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Glossary of Terms	
A&E Analysis (HUD or Lender)	The A and E Analyst enters into the Architecture and Engineering module of DAP, all relevant physical characteristics of the project including dwelling and other structure data, site specifics, and other information relative to the site(s).
Analysis of Location	The evaluation of the quality of a site compared with that of other competitive sites.
Appraiser (HUD or Lender)	The Appraiser, within the Valuation sub-system, compares information entered by the A & E and Cost analysts to other comparable properties to determine the Market Value or Replacement Cost for the project.
Architect	The person providing the required design and/or construction services and is professionally licensed to practice in the state where the project is located.
Architectural Analysis	The analysis of the characteristics of the property to determine its quality and acceptability as physical security for FHA mortgage insurance.
As Is	The value of the land in its present condition as determined by the appraiser.
Budget Authority	Legal authority to enter into financial obligations
Capital Advance Grant	<p>Supportive housing for the Elderly and for Persons with Disabilities are provided under Section 202 and Section 811 of the National Housing Act, respectively.</p> <p>Under Section 202, HUD provides capital advances to finance the construction, rehabilitation or acquisition without or without rehabilitation of structures that will serve as supportive housing for very low-income elderly persons and provides rent subsidies for the properties to help make them affordable. The capital advance does not have to be repaid as long as the property serves very low-income elderly persons for 40 years. Project rental assistance funds are provided to cover the difference between the HUD-approved operating cost for the property and the tenants' contribution towards rent. Rental assistance contracts are approved initially for 5 years and are renewable based on the availability of funds.</p> <p>Under Section 811, HUD provides funding to nonprofit organizations to develop rental housing with the availability of supportive services for very low-income adults with disabilities, and provide rent subsidies for the properties to help make them affordable. The program also provides project rental assistance,</p>

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	which covers the difference between the HUD-approved operating costs of the property and the tenants' contribution toward rent. The type of assistance HUD provides are interest-free capital advances that do not have to be repaid as long as the housing remains available for very low-income persons with disabilities for at least 40 years.
Cohort Year	The Fiscal Year in which the firm commitment acceptance date is entered.
Co-Insured Property	A coinsured loan on a Multifamily property means that both HUD and the mortgage lender share the risks/costs if the owner (borrower) defaults on the loan. New loans are not insured under this program. However, the Multifamily inventory includes previously coinsured loans.
Commitment	A pledge or contract involving financial responsibility, a promise by HUD to insure a specific loan to a prospective Borrower. If it is a commitment to a direct loan by HUD, it is to make said loan.
Commitment for Insurance of Advances	A commitment to insure mortgage proceeds for and during the construction of the project. Presupposes two closings - initial closing or endorsement and final endorsement.
Commitment for Insurance Upon Completion	A commitment for the insurance of a mortgage upon completion of the project. Presupposes only one closing - initial/final.
Community Development Block Grant Program (CDBG)	Authorized by the Housing and Community Development Act of 1974 replacing several community development categorical grant programs. CDBG provides eligible metropolitan cities and urban counties (called "entitlement communities") with annual direct grants that they can use to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low- and moderate-income persons.
Completion Date	The date the HUD Architectural Representative signs the final HUD Representative's Trip Report, Form HUD-5379, indicating the project to be 100 percent complete (which may be subject to acceptable items of delayed completion). This date becomes the basis for the establishment of the cut-off date.
Conditional Commitment	Document which affirms the Department's commitment to insure a mortgage on a particular project or property. Term applies to both Single Family and Multifamily mortgage insurance.
Construction Period	The period after initial closing, for insurance of advances, or the

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	commencement of construction (whichever occurs first) and the HUD approved final completion date.
Contract Authority	One of the basic forms of Budget Authority. Statutory authority under which contracts or other Obligations may be entered into prior to an appropriation for the payment of such obligations. The later enacted Appropriation provides cash to liquidate such obligations.
Contract of Insurance	The agreement evidenced by the issuance of a Mortgage Insurance Certificate or by the endorsement of the FHA Commissioner upon the credit instrument given in connection with an insured mortgage, incorporating by reference the regulations and the applicable provisions of the Act.
Cost Analyst (HUD or Lender)	The Cost Analyst enters relevant cost information into the Cost Module of DAP, based on the physical characteristics of the project as previously entered by the A and E analyst. In addition, the Cost Analyst enters costs associated with acquiring the property, rehabilitating existing structures, and/or building new structures.
Credit Subsidy Amount	The mortgage multiplied by the positive credit subsidy program's rate.
Data	Items representing facts, text, graphics, bit-mapped images, sound, analog or digital live-video segments. Data is the raw material of a system supplied by data producers and is used by information consumers to create information.
Data Dictionary	Listing of information about data elements. Data dictionaries commonly describe the contents of data elements, provide the names used by functional users of the system to refer to elements, as well as the name or representation used within the programming and tables of the system, and other descriptive information. The other descriptive information may include the logic used to obtain that element; the size of the element; formatted reports that use the element; and the source, type and potential users of the element.
Data Element	The most elementary unit of data that can be identified and described in a dictionary or repository which cannot be subdivided.
Development Cost	The ordinary, necessary, and reasonable costs for planning, land acquisition, demolition, construction or rehabilitation, equipment, and other items necessary for the development or acquisition of a low income housing project, including costs of the interim financing and inspections.

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Direct Loan	Some existing Multifamily properties are supported by 202 and 811 direct loans. A direct loan is always associated with a Section 8 subsidy and must be repaid to the lender. HUD no longer underwrites direct loans. Instead, 202 and 811 loans are considered capital advances, which do not need to be repaid unless the owner defaults on the mortgage.
Economic Soundness	A provision in the National Housing Act requiring that certain mortgage transactions, in order to be eligible for HUD Insurance, shall be considered safe investments. Economic soundness is both an acceptable credit risk and acceptable property.
Endorsement (Initial, Final)	HUD insures mortgage lenders against default by the borrower (property owner). HUD and the mortgage lender participate in the underwriting process to determine if the property meets HUD requirements (e.g., cannot be located in a flood plain) and the borrower is credit worthy. The end result of the underwriting is to “endorse” the loan, which is HUD’s commitment to insure. When a property is not yet built, HUD agrees to insure the construction advances (initial endorsement) and, later to insure the final mortgage amount (final endorsement) upon completion of construction. After the loan is endorsed, the property becomes part of the Multifamily portfolio to be managed.
Existing Construction	A project or projects constructed prior to the filing of an application for mortgage insurance.
Fair Housing Act	Legislation first enacted in 1968 and expanded by amendments in 1974 and 1988, which provides the Secretary with investigation and enforcement responsibilities for fair housing practices. Prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, or familial status.
Federal Housing Administration (FHA)	An insuring entity established by legislation, administered by the Assistant Secretary for Housing, who is responsible for the Department's various mortgage insurance programs.
FHA Fund	This fund is comprised of four separate funds to finance specific FHA mortgage insurance programs: Mutual Mortgage Insurance Fund (MMI), Cooperative Management Housing Insurance Fund (CMHI), General Insurance Fund (GI), and Special Risk Insurance Fund (SRI).
FHA Mortgage Insurance	Insurance issued by FHA to an FHA approved Lender, which insures the Lender against default by the Borrower. FHA charges the Lender a fee, typically one-half percent of the outstanding

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	balance of the mortgage per year.
Final Completion Date	The date the HUD Architectural Representative signs the HUD Representative's Trip Report, Form HUD-5379, showing construction is complete subject to acceptable items of delayed completion and the Chief of A&E endorses the report as representing final inspection. This date becomes the basis for the establishment of the cut-off date.
Final Endorsement	When all advances of mortgage proceeds have been made and all terms and conditions of the commitment have been complied with to the satisfaction of the Commissioner.
Final Endorsement Date	Date the project was endorsed.
Firm Commitment	A written agreement by the Department indicating approval of the application for mortgage insurance which sets forth the terms upon which the mortgage will be insured.
Fiscal Year (FY)	The US government's official accounting year, starting on October 1 and ending on September 30 of the following calendar year.
General Insurance (GI)	One of the four funds that comprise the FHA funds. It is used to finance most of the higher risk mortgage insurance programs for low and moderate income families.
HEREMS	An enterprise database used by DAP and other Housing, REAC, and Enforcement Center applications that contain Housing project data. DAP provides data to the HEREMS database and uses HEREMS Section of the Act Tables for updating and processing.
HOPE VI	HOPE VI, or the Urban Revitalization Program, enables demolition of obsolete public housing, revitalization of public housing sites and distribution of supportive services to the public housing residents affected by these actions.
Housing Finance Agencies (HFA)	State or local agencies responsible for financing and preserving privately owned low- and moderate-income housing within the state or locality.
Initial Closing	The process that gives consideration to the mortgage, title policy, regulatory agreement, construction contract, and owner-architect agreement. The assurances, certificates and instruments are listed and described. With the relationships identified and established, action can be taken on the credit instrument, construction, and full

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	disbursement.
Initial Endorsement	The first advance of mortgage proceeds.
Insured Mortgage	A mortgage that has been insured by the issuance of a Mortgage Insurance Certificate or by the endorsement of the credit instrument by the FHA Commissioner. See also FHA Mortgage Insurance.
Insured Property	<p>HUD has housing programs that insure loans against default of loan payment for construction/rehabilitation of housing units. The housing programs are oriented to specific housing market sectors and/or specific target facility types, and/or specific target individuals (Ex: renters, elderly, disabled). A property could be a multifamily site, nursing home, hospital, condominiums, or single-room occupancy units. HUD insures mortgage loans under the following programs:</p> <p><i>Section 207:</i> Insures mortgage loans to facilitate the construction or substantial rehabilitation of multifamily manufactured home parks.</p> <p><i>Section 213:</i> Insures mortgage loans to facilitate the construction, substantial rehabilitation, and purchase of cooperative housing projects.</p> <p><i>Section 220:</i> Insures loans for multifamily housing properties in urban renewal areas, code enforcement areas, and other areas where local governments have undertaken designated revitalization activities.</p> <p><i>Section 221(d)(3) and (4):</i> Insures mortgage loans to facilitate the new construction or substantial rehabilitation of multifamily rental or cooperative housing for moderate-income families, elderly, and the handicapped. Nonprofit sponsors use Section 221(d)(3); profit-motivated sponsors use Section 221 (d)(4).</p> <p><i>Section 223(a)(7):</i> Section 223(a)(7) of the Housing Act permits the FHA to refinance existing insured mortgage loans under any Section or Title of the Housing Act. Such refinancing results in prepayment of the existing insured mortgage.</p> <p><i>Section 223(d):</i> Insures two-year operative loss loans that cover operating losses during the first 2 years after completion (or any other 2-year period within the first 10 years after completion) of multifamily rental properties with a HUD-insured first mortgage.</p> <p><i>Sec 223(f):</i> Insures mortgage loans to facilitate the purchase or refinancing of existing multifamily rental housing. These properties may have been financed originally with conventional or FHA insured mortgages.</p>

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	<p><i>Sec 231:</i> Insures mortgage loans to facilitate the construction and substantial rehabilitation of multifamily rental housing for elderly persons and/or persons with disabilities. Few projects have been insured under Section 231 in recent years.</p> <p><i>Section 232:</i> Insures mortgage loans to facilitate the construction and substantial rehabilitation of nursing homes, intermediate care facilities, board and care homes, and assisted-living facilities.</p> <p><i>Section 234(d):</i> Insures blanket mortgages for the construction or substantial rehabilitation of multifamily properties to be sold upon completion as individual condominium units.</p> <p><i>Section 241(a):</i> Insures mortgage loans to finance repairs, additions, and improvements to multifamily rental housing and health care facilities with FHA insured first mortgages or HUD-held mortgages.</p> <p><i>Section 542(b):</i> Provides reinsurance on multifamily properties whose mortgage loans are originated, underwritten, serviced, and disposed of by Qualified Participating Entities (QPEs) and/or their approved lenders.</p> <p><i>Section 542(c):</i> Enables HUD and State and local housing finance agencies to provide new risk-sharing arrangements to help those agencies provide more insurance and credit for multifamily loans.</p>
Lender	A financial institution that lends money to a borrower in return for an obligation to repay.
Letter of Credit	Line of credit to a grant recipient established at time of approval of application.
Low Income	Income that does not exceed 80 percent of area median income.
Low Income Housing Tax Credits (LIHTC)	A way of obtaining financing to develop low-income housing. Government programs provide dollar-for-dollar credit toward taxes owed by the housing owner. These tax credits can be sold, or used to back up bonds that are sold, to obtain financing to develop the housing.
Managing Agent	The management agent is defined as the individual or organization certified to manage the property for the owner. The management agent contact is the responsible party for the management agent that HUD corresponds with about the property issues.

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Mixed-Income	Refers to a resident mix that includes families with various income levels within one development. Mixed-income developments combine public housing families with other residents in order to decrease the economic and social isolation of these families.
Mortgage	A lien on a project to secure construction advances or a permanent loan.
Mortgage Credit Analyst (HUD or Lender)	The Mortgage Credit Analyst uses the Mortgage Credit module to facilitate the credit investigation, measure and evaluate the financial performance of all applicants, and prepare an underwriting recommendation.
Mortgagee	The original mortgagee under a mortgage and its successors and assigns, which includes the holders of credit instruments issued under a trust indenture, mortgage, or deed of trust pursuant to which such holders act by and through a trustee therein named.
Mortgagor	The original borrower under a mortgage and his heirs, executors, administrators, and assigns.
Multifamily	HUD assists in the development of affordable rental housing through its numerous Multifamily Housing programs. HUD provides mortgage insurance to HUD-approved lenders to facilitate the construction, substantial rehabilitation, purchase and refinancing of multifamily housing projects and healthcare facilities. Mortgage insurance covers the lender if a borrower defaults on the insured loan. HUD also offers mortgage insurance for healthcare facilities, namely hospitals, group practice facilities, nursing homes and assisted living facilities.
Multifamily Housing Integration (MFHI) Project	The MFHI project team develops and implements policies and procedures for maintaining change control and full configuration management of system modules from multiple system project teams, and standardizes database objects that are used for the enterprise database of multifamily housing data. The Housing Enterprise Development Application Processing System (HEREMS) database is the result of this integration – it contains data from multiple HUD systems.
Multifamily Insurance Programs	<i>See Insured Property.</i>
Multifamily Project	A project containing five or more family units.
Neighborhood/Community	A group of people living in a defined location as a smaller social unit within a larger one, and having interests, housing, recreation,

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	services, work, etc. in common.
Notice of Funding Availability (NOFA)	Published in the Federal Register to announce competitive funding programs.
Office of Management and Budget (OMB)	An Executive Agency that assists the President in overseeing the preparation of the Federal budget and supervises its administration in Executive Branch agencies. In addition, OMB oversees and coordinates the Administration's procurement, financial management, information, and regulatory policies.
Off-Site Improvements	Improvements that are required to serve the project but are outside the project boundaries, which include walks, gutters, curbs, utilities.
Positive Credit Subsidy	The Section of the Act programs that generate a loss and have funds from Congress set aside each year to cover the loss.
Project Rental Assistance Contract (PRAC)	Project rental assistance contract (PRAC) funds are used to cover the difference between what residents pay for rent and the HUD-approved expense to operate the project. Project Rental Assistance Contract funds may also be used to provide supportive services and hire a service coordinator in projects serving frail elderly residents.
Property	A physical set of buildings under one owner (TIN). Generally, there is a unique ownership entity per a single property – exception is coop institutions. There is a unique identifier for a property. This can be any unique FHA loan number or subsidy agreement that is associated with a building(s) and/or land defined in a regulatory agreement or other contract with HUD. A property is defined according to a regulatory agreement, or for identifying a non-insured property subsidy contract.
Rental Housing	Housing occupancy, which is permitted by the owner in consideration of the payment of agreed charges.
Reserve for Replacement	Reserve for Replacement accounts are set up to replace capital items that were on a given property at the time of final endorsement. The account is funded monthly with the mortgage payment. HUD reviews and approves all requests for release of these funds from the agent/owner, and sends any approved requests to the servicing mortgagee.
Section of the Act (SOA)	SOA programs are HUD's programs for low income families.
Single-Room Occupancy (SRO)	The Section 221(d) program provides mortgage insurance for multifamily properties consisting of single-room occupancy (SRO)

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	apartments. These apartments are intended for people--usually a single person--who have a source of income but are priced out of the rental apartment market.
Site Appraisal Market Analysis (SAMA)	Certain processing procedures required for commitment of FHA mortgage insurance on most Multifamily projects and large subdivisions.
Special Risk Insurance (SRI)	One of four insurance funds within the FHA fund used primarily to finance Section 235 and Section 223(e) programs.
Sponsor	The person making application for the project mortgage loan. The person proposing may not be the mortgagor.
Terminated	A project no longer has active insurance.

Acronyms	
A&E	Architectural and Engineering
AC	Air Conditioning
ADP	Automated Data Processing
ALF	Assisted Living Facility
Amt.	Amount
BSPRA	Builder's and Sponsor's Profit Risk Allowance
B&C or BCF	Board and Care Facility
CA	Contract Authority
CDBG	Community Development Block Grant (CPD program)
CNA	Cost Not Attributable
COMPL	Completed
Condl	Conditional
Congr. Dt.	Congressional District
CS	Credit Subsidy
DAP	Development Application Processing
DMCUT	Data Maintenance Cleanup Utility Tool
EIN	Employer Identification Number
E-Mail	Electronic Mail
Fax	Facsimile
FHA	Federal Housing Administration (HUD Office of Housing)
FHLMC	Federal Home Loan Mortgage Corporation
FMR	Fair Market Rent
FNMA	Federal National Mortgage Association. Federally chartered, stockholder owned corporation supporting secondary market for FHA, VA, and conventional mortgages.
FO	Field Office
FOMNS	Field Office Family Network System
FRD	Functional Requirements Document
FY	Fiscal Year
Geo-Code	Geographic Code
GH/ILF	Group Home/Independent Living Facility
GI	General Insurance
GNMA	Government National Mortgage Association
GUI	Graphics Users Interface
HARTS	HUD Application Release Tracking System
HEREMS	Housing Enterprise Real Estate Management System
HFA	Housing Finance Agency. State or local agencies responsible for financing and preserving low/mod housing within a state.
HOPE VI	Program for Revitalization of Severely Distressed Public Housing (PIH program)
HUD	U.S. Department of Housing and Urban Development
HUDWARE II	Standard PC Operating Platform for HUD users

Acronyms	
HUDWeb	Netscape Enterprise Server 3.0 with Windows NT 4.0
IA	Insured Advances
ICF	Intermediate Care Facility
ID	Identification
ILP	Independent Living Project
Ind.	Indicator
Info	Information
IRP	Interest Reduction Payment
IUC	Insurance Upon Completion
LAMP	Level Annuity Monthly Payment
LTV	Loan To Value
MAP	Multifamily Accelerated Processing (FHA-Multifamily Housing process)
Max.	Maximum
MC	Mortgage Credit
MC-PA	Mortgage Credit - Project Analysis
MCE	Mortgage Credit Examiner
Metro	Metropolitan
MF	Multifamily
MI	Middle Initial
Min.	Minimum
MIP	Mortgage Insurance Premium
MM/DD/YYYY	Two Digit Month, Two Digit Day, Four Digit Year
MSA	Metropolitan Statistical Area
Neigh.	Neighborhood
No.	Number
NOFA	(HUD) Notice of Funds Available
Non-Rev.	Non Revenue
Nursing/ICF	Nursing Home or Intermediate Care Facility
NWC	Net Working Capital
OCS	Operating Cost Standard
OMB	Office of Management and Budget
OMHAR	(HUD) Office of Multifamily Housing Assistance Restructuring
OMHP	Office of Multifamily Housing Programs
Org.	Organization
PC	Personal Computer Processing Center
Pct.	Percent or Percentage
Pjt #	project number
PRAC	Project Rental Assistance Contract
Prev.	Previous
Proj.	Project
RC	Replacement Cost (Valuation)
RCF	Replacement Cost by Formula (Valuation)

Acronyms	
RCVD	Received
REAC	Real Estate Assessment Center
Rehab	Rehabilitation
REMS	Real Estate Management System
Req. Rate	Requested Rate
Rev.	Revenue
SAMA	Site Appraisal and Market Analysis
SNA	Site Not Attributable
SME	Subject Matter Expert
SNF	Skilled Nursing Facility
SoA	Section of the Act
SPRA	Sponsor's Profit and Risk Allowance
Sq. Ft.	Square Feet
SRI	Special Risk Insurance
SSN	Social Security Number
Sub-Rehab	Substantial Rehabilitation
Super NOFA	HUD's consolidated approach to issuance of Notices of Funding Availability
TAP	Traditional Application Processing
Trm	Term
TV	Television
VAL	Valuation
Zip	Zone Improvement Plan